

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

September, 21 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President
Mr. Karl King, Vice President
Mr. Greg Downes, Secretary
Mr. Hardie Blake, Jr.
Mr. Ken Peczkowski

Legal Counsel:

Mr. Charles S. Leone, Esq.

Redevelopment Staff:

Mr. Bill Schalliol, Economic Development Specialist
Mrs. Cheryl Phipps, Recording Secretary
Mr. Jeffrey Gibney, Executive Director, Part of Meeting
Mr. Robert Mathia, Economic Development Specialist
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Mr. Tom Price, Mayor's Office
Ms. Pamela Meyer, Community Development
Ms. Jamie Loo, South Bend Tribune
Ms. Rita Kopala
Ms. GlendaRae Hernandez
Mr. Marty Wolfson, Community Forum for Economic Dev
Ms. Violet Schorsch, Habitat for Humanity
Mr. Dan Jones
Ms. Sylvia Krkjus

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Friday, September 7, 2007.

Upon a motion by Mr. King, seconded by Mr.
Downes and unanimously carried, the Commission
approved the Minutes of the Regular Meeting of
Friday, September 7, 2007.

COMMISSION APPROVED THE MINUTES OF THE
REGULAR MEETING OF FRIDAY, SEPTEMBER 7,
2007

South Bend Redevelopment Commission
Regular Meeting –September, 21 2007

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted September, 21 2007 for approval.

324 AIRPORT AEDA

DLZ	\$ 24,085.00
Abonmarche Consultants of Indiana L.L.C.	4,900.00
Jerome E. Michaels, MAI	3,000.00
R.E. Pitts & Associates, Inc.	2,600.00
Meridian Title Corporation	65,207.28
Baker & Daniels, LLP	21,112.30
CFH Landscape Services	1,582.00

414 SAMPLE EWING GENERAL

CFH Landscape Services	2,391.50
Christopher B. Burke	857.50

420 FUND TIF DISTRICT-SBCDA GENERAL

South Bend Water Works	305.23
Indiana Michigan Power	442.62
CFH Landscape Services	324.50
City of South Bend	3,354.57
Philip Krause	4,500.00
The Appraisal Group	3,750.00
DTSB	9,000.00

422 FUND WEST WASHINGTON

Meridian Title Corporation	150.00
South Bend Heritage Foundation	6,913.01
	150.00

430 FUND SOUTH SIDE DEVELOPMENT

Sopko, Nussbaum, Inabnit & Kaczmarek	546.75
CFH Landscape Services	420.00

\$ 155,592.26

Ms. Jones acknowledged a revised set of claims with additional items and asked if there was any explanation for the additional items. There was not.

Mr. Peczkowski noted that he attended a Council budget meeting on September 20 where he gave evidence that

3. APPROVAL OF CLAIMS (CONT.)

DTSB is not fulfilling its contract to clean and control litter. He didn't think claims for that work should be paid until those services have been rendered in proper fashion.

There was no one present who knew the details of the DTSB claim on the Claims List. Mr. Schalliol suggested postponing a decision on Claims. After Mr. Mathia presented the tax abatement he could find someone who knew the detail and bring the information to the meeting. Commissioners agreed.

4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

A. Tax Abatement

- (1) **Commission approval requested for Resolution No. 2381 approving an application for real property tax deduction for property located at 1247 Howard Street in the Northeast Neighborhood Development Area. (Habitat for Humanity)**

Mr. Mathia gave the staff report on the project. Habitat for Humanity plans to build a 1,120 sft single-family residence with three bedrooms and one bathroom on a four-foot crawl space. The home will be sold to a low income family for \$65,000 with a zero interest mortgage. A residential abatement lasts five years. A total of \$2,895 will be

6. NEW BUSINESS (CONT.)

A. Tax Abatement

(1) continued...

abated, while \$1,371 in taxes will be paid during the abatement years. After the five-year abatement period, an additional \$325 per year in taxes should be collected, as the value of the property is estimated at \$85,000.

Habitat has received twelve previous tax abatements. The property is properly zoned for the proposed use. The property is in the Northeast Neighborhood Development Area, a tax increment allocation area; therefore, the abatement must first be approved by the Redevelopment Commission before going to the Common Council. The project qualifies for 5-years of residential tax abatement under the tax abatement ordinance.

Ms. Schorsch noted that all of Habitat's partner families make between 30% and 50% of median income for the county as established annually by HUD. They are also required to work 300-400 hours on behalf of Habitat, first on homes other than their own, finishing up the requirement on their own home. They also attend a series of classes to prepare them for home ownership. The family who will purchase this home is married with one child and another on the way. They are first-time homeowners. Habitat requests the tax abatement to help the families make the transition from renter to homeownership.

Ms. Jones asked if most Habitat families are first time homeowners. Ms. Schorsch responded that most are.

6. NEW BUSINESS (CONT.)

A. Tax Abatement

(1) continued...

Mr. Peczkowski asked how many vacant homes are in the block that this Habitat home will be built in. Ms. Schorsch responded that she knew of only one.

Mr. Peczkowski noted that he's been reading that many Habitat's are putting their new homes in neighborhoods where there are abandoned homes, not making a big enough impact on the surrounding neighborhood. He asked if there are plans to continue building in that area.

Ms. Schorsch responded that they do like to build more than one house in a block, but someone would have to demolish the abandoned house and clear the site for it to be usable for Habitat. They have, however, built twelve houses between Howard and Madison St. in the last fifteen years.

Mr. King noted that this home is not in the Triangle Area where the NNRO is working, but in the area the NNRO intends to do as its phase two. The two efforts will complement each other.

Upon a motion by Mr. Peczkowski, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2381 approving an application for real property tax deduction for property located at 1247 Howard Street in the Northeast Neighborhood Development Area. (Habitat for Humanity)

COMMISSION APPROVED RESOLUTION NO. 2381
APPROVING AN APPLICATION FOR REAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED AT 1247 HOWARD STREET IN THE
NORTHEAST NEIGHBORHOOD DEVELOPMENT
AREA. (HABITAT FOR HUMANITY)

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

- (1) Commission approval requested for proposal for professional services in the South Bend Central Development Area. (Engineering services to modify legal description)**

Mr. Schalliol noted that Wightman Petrie has submitted a proposal in the amount of \$1200 to provide survey services and write a legal description in anticipation of expanding the South Bend Central Development Area. The area to be added is just outside the southwest corner of the SBCDA and would be part of the Coveleski Neighborhood planning area.

Mr. King made a motion to approve the request for proposal and to accept the proposal from Wightman Petrie in the amount of \$1200 for the scope of services proposed. Mr. Downes seconded the motion. The motion carried on a vote of four votes in favor with Mr. Peczkowski abstaining.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL AND ACCEPTED THE PROPOSAL FROM WIGHTMAN PETRIE FOR THE SCOPE OF SERVICES AND FEE PROPOSED

C. Airport Economic Development Area

- (1) Filing of Resolution No. 2382 amending the Airport Economic Development Area Development Plan and setting a public hearing for 10:00 a.m., October 19, 2007 on Resolution No. 2382. (Adding 1624 and 1630 Maplewood Ave. to acquisition list)**

Mr. Witwer noted that the agenda item lists two properties to be added to the acquisition list. There are actually three properties that need to be added. The additional property is one owned by River of Life in the LaSalle Square area. All three will be included in the

6. NEW BUSINESS (CONT.)

C. Airport Economic Development Area

(1) continued...

notice to the public and in the resolution presented at the October 19 meeting.

The properties at 1624 and 1630 Maplewood will be voluntary acquisitions to remove incompatible residential uses from an industrial area.

Mr. King made a motion to authorize amending Resolution No. 2382 to add the River of Life property to the list of properties to be acquired. Mr. Downes seconded the motion. The motion carried on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION AUTHORIZED AMENDING RESOLUTION NO. 2382 TO ADD THE RIVER OF LIFE PROPERTY TO THE LIST OF PROPERTIES TO BE ACQUIRED

Mr. Downes made a motion to accept for filing Resolution No. 2382 as amended and to set a public hearing for 10:00 a.m., October 19, 2007 on Resolution No. 2382. Mr. Blake seconded the motion. The motion carried on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION ACCPETED FOR FILING RESOLUTION NO. 2382 AS AMENDED AND SET A PUBLIC HEARING FOR 10:00 A.M., OCTOBER 19, 2007 ON RESOLUTION NO. 2382

(2) Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Phase I Environmental Survey, LaSalle Square)

Mr. Witwer noted that the Phase I environmental site assessment is for the LaSalle Square properties recently added to the AEDA acquisition list, as well as the properties expected to be added by Resolution No. 2382. The Phase I site assessment will tell us if further

6. NEW BUSINESS (CONT.)

C. Airport Economic Development Area

(2) continued...

environmental testing is needed before we acquire the property. Staff recommends approval of the proposal from Wightman Petrie in the amount of \$1700.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the request for proposal and accepted the proposal from Wightman Petrie for the scope of services and fee proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL AND ACCEPTED THE PROPOSAL FROM WIGHTMAN PETRIE FOR THE SCOPE OF SERVICES AND FEE PROPOSED

(3) Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Appraisals, 1624 and 1630 Maplewood Ave.)

Mr. Witwer noted that the owners of the two properties have expressed an interest in being acquired by the Commission. Two appraisals are needed for each property. Proposals have been received from Witt Appraisals and Christopher Michaels in the amount of \$1000 and \$700 respectively. Staff recommends accepting both proposals.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the request for proposals and accepted the proposals from Witt Appraisals and Christopher Michaels for the scope of services and fee proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSALS AND ACCEPTED THE PROPOSALS FROM WITT APPRAISALS AND CHRISTOPHER MICHAELS FOR THE SCOPE OF SERVICES AND FEE PROPOSED

6. NEW BUSINESS (CONT.)

D. West Washington-Chapin Development Area

- (1) Filing of Resolution No. 2383 amending the West Washington Chapin Development Area Development Plan and setting a public hearing for 10:00 a.m., October 19, 2007 on Resolution No. 2384.**

Mr. Witwer noted that when the Airport Economic Development Area was expanded to include the Hurwich Iron and Marycrest properties, that created an overlap with the West Washington-Chapin Development Area. Resolution No. 2383 will correct that overlap by removing the Hurwich Iron and Marycrest properties from the West Washington Chapin Development Area.

Mr. Witwer also noted that the expansion of the South Bend Central Development Area at its southwest corner anticipates incorporating about a half block of what is now in the West Washington-Chapin Development Area into the SBCDA. So, Resolution No. 2383 also removes that half block from the West Washington-Chapin Development Area.

Mr. King asked if removing these properties from the WWFDA will have any negative effect such as reducing its TIF revenue. Mr. Witwer responded that the effects would not be significant. No one interested in the WWFDA has expressed any concern about that.

Mr. King made a motion to accept Resolution No. 2383 for filing and set a public hearing for 10:00 a.m., October 19, 2007 on Resolution No. 2383. Mr. Downes seconded the motion. The motion carried on

COMMISSION ACCEPTED FOR FILING
RESOLUTION NO. 2383 AND SET A PUBLIC
HEARING FOR 10:00 A.M., OCTOBER 19, 2007 ON
RESOLUTION NO. 2383

6. NEW BUSINESS (CONT.)

D. West Washington-Chapin Development Area

(1) continued...

a vote of four in favor. Mr. Peczkowski abstained.

(3) Commission approval requested for proposal for professional services in the West Washington Chapin Development Area. (Engineering services to modify legal description)

Mr. Witwer noted that the Abonmarche Group has submitted a proposal in the amount of \$1,930 for modifying the legal description for the West Washington-Chapin Development Area as noted above. Staff recommends accepting the proposal in an amount not to exceed \$2,000.

Mr. King made a motion to approve the request for proposal and to accept the proposal from the Abonmarche Group in the amount not to exceed \$2000 for the scope of services proposed. The motion carried on a vote of four in favor. Mr. Peczkowski abstained.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL AND ACCEPTED THE PROPOSAL FROM THE ABONMARCHE GROUP FOR THE SCOPE OF SERVICES PROPOSED AND A FEE NOT TO EXCEED \$2,000

(2) Commission approval requested for Program Management Agreement by and between the City of South Bend, Indiana, the City of South Bend, Department of Redevelopment and South Bend Heritage Foundation.

Ms. Meyer noted that the Commission previously approved Agreements with South Bend Heritage Foundation and the Northeast Neighborhood Revitalization Organization

6. NEW BUSINESS (CONT.)

D. West Washington-Chapin Development Area

(2) continued...

(Item 6.F.(1) to run the Dollar House program in their respective areas on the Commission's behalf. The Agreements have changed somewhat, in that Exhibit A in each lays out a much more detailed explanation of the process for the program: how the homes will be acquired, how they will be disposed of, the process for qualifying the applicants, etc. Exhibit A is the only thing that changed in either of them.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the Program Management Agreement by and between the City of South Bend, Indiana, the City of South Bend, Department of Redevelopment and South Bend Heritage Foundation.

COMMISSION APPROVED THE PROGRAM
MANAGEMENT AGREEMENT BY AND BETWEEN
THE CITY OF SOUTH BEND, INDIANA, THE CITY
OF SOUTH BEND, DEPARTMENT OF
REDEVELOPMENT AND SOUTH BEND HERITAGE
FOUNDATION

E. South Side Development Area

There was no business in the South Side Development Area.

F. Northeast Neighborhood Development Area

**(1) Commission approval requested for
Program Management Agreement by and
between the City of South Bend, Indiana,
the City of South Bend, Department of
Redevelopment and the Northeast
Neighborhood Revitalization
Organization.**

Mr. King disclosed that he is a board member of the Northeast Neighborhood

6. NEW BUSINESS (CONT.)

F. Northeast Neighborhood Development Area

(1) continued...

Revitalization Organization. He serves on that board as a volunteer, appointed by Mayor Luecke. He receives no compensation and has no pecuniary interest of any kind in the NNRO or any of its operations. Legal counsel has advised that Mr. King has no conflict of interest concerning any action related to the NNRO and may participate in discussions and vote on any such items.

Mr. Peczkowski pointed out that on page three in the NNRO agreement, the paragraph entitled NNRO or Provider, it says that “NNRO” or “Provider” shall mean South Bend Heritage Foundation. He asked if they are one and the same organization. Mr. King responded that they are not. That must be a scrivener’s error and should state that “NNRO” or “Provider” shall mean Northeast Neighborhood Revitalization Organization.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved changes to page three defining NNRO or Provider, striking the words South Bend Heritage Foundation and substituting Northeast Neighborhood Revitalization Organization, Inc.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the Program Management Agreement by and between the City of South Bend, Indiana, the City of South Bend, Department of Redevelopment

COMMISSION APPROVED CHANGES TO PAGE THREE DEFINING NNRO OR PROVIDER, STRIKING THE WORDS SOUTH BEND HERITAGE FOUNDATION AND SUBSTITUTING NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION, INC.

COMMISSION APPROVED THE PROGRAM MANAGEMENT AGREEMENT BY AND BETWEEN THE CITY OF SOUTH BEND, INDIANA, THE CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT AND THE NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION

6. NEW BUSINESS (CONT.)

F. Northeast Neighborhood Development Area

(1) continued...

and the Northeast Neighborhood
Revitalization Organization.

**(2) Commission approval requested for
Amended and Restated Agreement for
Services by and between the City of South
Bend, Department of Redevelopment,
acting by and through the South Bend
Redevelopment Commission and
Northeast Neighborhood Revitalization
Organization, Inc.**

Mr. Schalliol noted that the Commission previously approved this agreement. The purpose of the agreement is for the NNRO to do acquisition of property in the Triangle development area in the NNDA. South Bend Heritage is acting as an agent for acquisition in that area. There were some deficiencies in the previous agreement. Some changes have been made, specifically in Exhibit A, clarifying roles and services provided through the acquisition process, clarification in Exhibit B as it relates to the acquisition of the AAYs Rental property, and some language about the process for reimbursables in the acquisition process.

Mr. Peczkowski asked about the \$62,500 fee for services. That is their fee for negotiating? Mr. Schalliol agreed that that is their fee for all the services defined.

Mr. Peczkowski asked how many properties they will be acquiring for us. Mr. Shalliol noted that they will acquire as many of the

6. NEW BUSINESS (CONT.)

F. Northeast Neighborhood Development Area

(2) continued...

twenty-three properties in the acquisition list as they can with the remaining money allocated. Mr. Gibney responded that the fee is not tied to the number of acquisitions, but is 6.25% of the \$1,000,000 project fee for acquisition.

Mr. Peczkowski asked if that percentage was typical. Are we treating all our contractual partners the same? Mr. Gibney responded that we are.

Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission approved the Amended and Restated Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and Northeast Neighborhood Revitalization Organization, Inc.

COMMISSION APPROVED THE AMENDED AND RESTATED AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT, ACTING BY AND THROUGH THE SOUTH BEND REDEVELOPMENT COMMISSION AND NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION, INC.

3. APPROVAL OF CLAIMS (CONT.)

Mr. Mathia distributed a copy of the invoice from DTSB which generated the claim of \$9,000 on the list of Claims.

They have completed 66% of the work promised under the total \$275,000 contract for 2007 or \$157,500. They have been paid \$148,500 to date. The remaining due them to this point is \$9,000.

Mr. Peczkowski noted that he presented at the Common Council budget hearing evidence in the form of pictures that DTSB is not performing Weeding and Litter Patrol

3. APPROVAL OF CLAIMS (CONT.)

as promised. The parking lot between the Morris Performing Arts Center and the LaSalle Hotel has many weeds. He has photos from July and September 20 of the parking lot with overgrown weeds. Weeding is supposed to be done on a weekly basis. Flower pots between Colfax and LaSalle had the same litter on September 20 as was there on August 6. That is evidence to him that DTSB is not fulfilling its contract.

Mr. Downes asked what the Council's response was. Mr. Peczkowski said they had none, except that Paul Meyer, President of the DTSB board, agreed that the conditions shown in the photos were unacceptable.

Mr. Leone explained the Commission's obligations under the contract. He noted that there are two types of breach, material and non-material. Non-material breaches are minor breaches such as poor quality of service or less than 100% completion of a particular task. Non-material breaches don't excuse performance of the other party in the contract. Under those circumstances, typically, it wouldn't interfere with payment. It might require something like an adjustment at the very end if the Commission determined that there wasn't full performance, but it's not the kind of thing where you'd say in the middle that there's a breach of contract and we're going to break the contract.

Mr. Peczkowski noted that the invoice claims that these things have all been done through this point in the year. And the bill reflects payment for them as though they have been done. Mr. Leone said the difficulty is in establishing a value for the infractions.

Mr. Blake said he was at the same Council meeting and that DTSB acknowledged that there had been some major distractions that kept them from staying on top of some of the maintenance. They promised to address the issues noted. Mr. Blake believes we need to give them time to address those issues.

3. APPROVAL OF CLAIMS (CONT.)

Mr. Peczkowski would like to see DTSB be more honest in their billing and not claim that 66% of the contract has been completed.

Mr. Downes said if the shortcomings were just pointed out to them and they have promised to take care of them, he thinks the Commission should take them at their word and expect them to do so.

Mr. Peczkowski said that he had pointed out some of the shortcomings to Don Inks in June, so it isn't true that they didn't know of complaints until last night.

Mr. King suggested approving the claim, but sending a letter with the check stating that the Commission is concerned about reports that these jobs are not being done satisfactorily and will not pay future claims unless the work is satisfactory.

Mr. Downes agreed that it shouldn't be the Commission's job to monitor the work. DTSB is supposed to watch for those maintenance issues.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the Claims submitted September, 21, 2007 for approval, ordering checks to be released and directing staff to write a letter to accompany payment to DTSB expressing the Commission's concerns.

COMMISSION APPROVED THE CLAIMS
SUBMITTED SEPTEMBER, 21, 2007 FOR
APPROVAL, ORDERING CHECKS TO BE RELEASED
AND DIRECTING STAFF TO WRITE A LETTER TO
ACCOMPANY PAYMENT TO DTSB EXPRESSING
THE COMMISSION'S CONCERNS

H. Douglas Road Economic Development Area

There was no business in the Douglas Road
Economic Development Area.

7. PROGRESS REPORTS

Mr. Schalliol reported on the status of the staff's response to Mr. Blake's request at the last meeting that staff report on the cost/benefit of the Airport Economic

PROGRESS REPORTS

7. PROGRESS REPORTS (CONT.)

Development Area. Staff has been doing the research necessary to make the report but is not yet ready. They expect to make the report on October 5.

8. NEXT COMMISSION MEETING

The next meeting of the Redevelopment Commission is scheduled for Friday, October 5, 2007 at 10:00 a.m.

NEXT COMMISSION MEETING

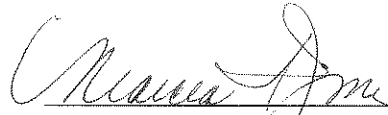
9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. King made a motion that the meeting be adjourned. Mr. Downes seconded the motion and the meeting was adjourned at 10:40 a.m.

ADJOURNMENT



Donald E. Inks, Director



Marcia I. Jones, President